GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3888
ANSWERED ON:17.08.2001
ADB LOAN TO STATES
GIRDHARI LAL BHARGAV

Will the Minister of FINANCE be pleased to state:

(a) The States to whom the Asian Development Bank has sanctioned loans during each of the last three years;

(b) The names of the cities of Rajasthan for which development provision of loans has been made alongwith the amount of loan;

(c) The time by which the utilisation of the aforesaid loan amount is likely to start and the terms and conditions on which loans have been sanctioned;

(d) Whether interest on loans has to be paid by the Union Government; and

(e) If so, the annual amount of interest to be paid thereon?

Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) ADB has approved loan assistance for the projects of State Governments of Gujarat, Karnataka, Madhya Pradesh, Rajasthan and West Bengal during the last three calendar years.

(b) A loan of US $ 250 million was approved in calendar Year 1998 for the Rajasthan Urban Infrastructure Development Project to alleviate infrastructure and services deficiencies in the towns of Jaipur, Bikaner, Jodhpur, Udaipur, Ajmer and Kota.

(c) The loan was declared effective in January 2000 and is scheduled to close on 30th June, 2005. The loan to Government of India is for 25 years, including a grace period of five years at the Bank`s variable interest rate that is determined by ADB on 1st of January and 1st of July every year. Besides a commitment charge @ 0.75% per annum is paid to ADB on the undrawn loan as per Bank policy.

(d) Yes Sir, interest on loans to Asian Development Bank is to be paid by Government of India.

(e) The annual amount of interest to be paid by Government of India would depend upon the amount of loan drawn down and outstanding from time to time.